

AMENDED IN ASSEMBLY APRIL 18, 2012

AMENDED IN ASSEMBLY APRIL 10, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 2059**

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**Introduced by Assembly Members ~~Achadjian and Gorell~~ and  
*Achadjian***

February 23, 2012

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An act to amend Section 6225 of, and to add Section 6225.1 to, the Revenue and Taxation Code, relating to taxation.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2059, as amended, ~~Achadjian~~ *Gorell*. Sales and use tax: qualified purchaser.

Existing law provides that a return, showing specified purchases by a qualified purchaser that were subject to the use tax during the preceding year and that have not been paid to a specified retailer, must be filed, along with a remittance of the amount of tax due, with the State Board of Equalization on or before April 15. Existing law further provides that a qualified purchaser is a specified person that receives at least \$100,000 in gross receipts from business operations per calendar year.

~~The bill would require the board to create a use tax table that shows the estimated amount of use tax due according to a qualified person's adjusted gross income. This bill would allow a qualified purchaser to satisfy its use tax liability by remitting the estimated amount of use tax, as shown in that table, on or before April 15. This bill would also increase the threshold amount of gross receipts from business operations per calendar year from \$100,000 to \$500,000. The bill would authorize~~

the board to grant a reasonable extension of time for filing a use tax return, as specified, and to grant a reasonable extension of time for the payment of use tax when it determines that good cause exists. This bill would authorize the board to grant an extension for filing a use tax return if an extension is granted for filing a return for tax imposed under the Personal Income Tax Law and the Corporation Tax Law, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 6225 of the Revenue and Taxation Code  
2     is amended to read:  
3     6225. (a) In order to facilitate the collection of use tax imposed  
4     by this part, a qualified purchaser shall register with the board on  
5     a form prescribed by the board and shall set forth the name under  
6     which the qualified purchaser transacts or intends to transact  
7     business, the location of the qualified purchaser's place or places  
8     of business, and other information as the board may require.  
9     (b) ~~(4)~~ Article 1 (commencing with Section 6451) of Chapter  
10    5 of this part shall apply to a qualified purchaser, except that a  
11    return showing the total sales price of the tangible personal property  
12    purchased by the qualified purchaser, the storage, use, or other  
13    consumption of which became subject to the use tax during the  
14    preceding calendar year, and which was not paid to a retailer  
15    required to collect the tax or which was not paid to a retailer the  
16    qualified purchaser reasonably believed was required to collect  
17    the tax, shall be filed, together with a remittance of the amount of  
18    the tax due, with the board on or before April 15.  
19    ~~(2) As an alternative to filing a return and remittance described~~  
20    ~~in subdivision (b), a qualified purchaser may satisfy its use tax~~  
21    ~~liability for the preceding calendar year by remitting to the board~~  
22    ~~on or before April 15 the amount of use tax calculated pursuant to~~  
23    ~~subdivision (e).~~  
24    (c) A "qualified purchaser" means a person that meets all of the  
25    following conditions:  
26    (1) The person is not required to hold a seller's permit pursuant  
27    to this part.

1 (2) The person is not required to be registered pursuant to  
2 Section 6226.

3 (3) The person is not a holder of a use tax direct payment permit  
4 as described in Section 7051.3.

5 (4) The person receives at least five hundred thousand dollars  
6 (\$500,000) in gross receipts from business operations per calendar  
7 year.

8 (5) The person is not otherwise registered with the board to  
9 report use tax.

10 (d) This section shall not apply to the purchase of a vehicle,  
11 vessel, or aircraft as defined in Article 1 (commencing with Section  
12 6271) of Chapter 3.5 of this part.

13 ~~(e) (1) The board shall annually calculate the estimated amount~~  
14 ~~of use tax due under this section according to a person's adjusted~~  
15 ~~gross income and make available to qualified purchasers those~~  
16 ~~amounts in the form of a use tax table as part of the instructions~~  
17 ~~provided to qualified purchasers.~~

18 ~~(2) When a qualified person remits its use tax liability in the~~  
19 ~~amount set forth in the table specified in paragraph (1), in~~  
20 ~~accordance with the instructions provided by the board, the board~~  
21 ~~shall be precluded from making any determination against that~~  
22 ~~person for an underpayment of use tax.~~

23 SEC. 2. Section 6225.1 is added to the Revenue and Taxation  
24 Code, to read:

25 6225.1. (a) For purposes of administering Section 6225, the  
26 board may grant a reasonable extension of time for filing a return  
27 in the manner and form it determines.

28 (1) For a qualified purchaser subject to the tax imposed by Part  
29 10 (commencing with Section 17001), except for a qualified  
30 purchaser residing or traveling abroad, an extension of time shall  
31 not be granted for more than six months. For a qualified purchaser  
32 residing or traveling abroad, a return shall be filed no later than  
33 the 15th day of the sixth month following the close of the taxable  
34 year, unless the requirements for an extension have been fulfilled  
35 on or before that date.

36 (2) For a qualified purchaser subject to the tax imposed by Part  
37 11 (commencing with Section 23001), an extension or extensions  
38 shall not, including in the aggregate, be more than seven months  
39 from the date that a return is due.

1 (b) An extension of time granted pursuant to subdivision (a) is  
2 not an extension of time for payment of the tax required to be paid  
3 on or before the date that the return is due. Penalties and interest  
4 shall be imposed, as provided by law, without regard to an  
5 extension granted under this section.

6 (c) A reasonable extension for payment of tax required by  
7 Section 6225 may be granted by the board whenever good cause  
8 exists, as determined by the board.

9 (d) The board shall grant an extension for filing a return pursuant  
10 to Section 6225 for the use tax imposed by this chapter if an  
11 extension is granted for filing a return for taxes imposed by Part  
12 10 (commencing with Section 17001) or Part 11 (commencing  
13 with Section 23001).